**WE CLAIM**:

1. A method of determining the risk associated with a portfolio of instruments for a set of scenarios of risk factors over a time period of interest, the composition of which portfolio can evolve over time to include different instruments and positions of instruments, comprising the steps of:

(i) defining at least one trading strategy for said portfolio, each said strategy including at least one rule, least one tracked instrument, at least one tracked attribute applied to said rule, at least one target goal, at least one trading instrument and at least one funding instrument;

(ii) for each time of interest for each scenario in said set of scenarios, evaluating said at least one rule in each said at least one trading strategy, in view of said at least one tracked attribute, in turn to determine if a test condition defined by said rule has been met;

(iii) when said test condition is met, changing the composition of said portfolio for subsequent consideration by simulating the execution of appropriate trades of said at least one trading instrument to achieve said at least one target goal and employing said changed; and

(iv) producing a risk metric for said portfolio, encompassing said changed composition.

2. A dynamic portfolio of instruments for use with a risk system, the composition of said portfolio being changeable with time, the portfolio comprising:

a holdings structure indicating instruments and their quantity in the portfolio; and

a strategy structure indicating at least one trade manager, each said trade manager including a rule defining a condition which can be evaluated in view of at least one attribute and each said trade manager altering the quantity of at least one said instrument in said portfolio to achieve a target attribute for said portfolio when evaluation of said rule results in said condition being met.

3. A risk management system operable on a set of instruments and a set of scenarios, each scenario including risk factor values and a scenario probability, said system comprising:

at least one risk engine operable to determine a risk value for each instrument in said set of instruments, said risk value determined by evaluating, in view of said risk factors in said scenario, a model stored for said instrument;

a database to store each said determined risk value;

at least one dynamic portfolio including at least one trade manager, each trade manager including a rule corresponding to one of said at least one user-defined trading strategies and said trade manager evaluating said rule in view of at least one attribute relating to said portfolio and said scenarios and altering the composition of said portfolio in accordance with said at least one trading strategy when the conditions of said rule are met; and

an aggregating engine to retrieve said determined risk values and said scenario probabilities for said portfolio to produce a risk metric corresponding to the compositions of said portfolio.